



General Assembly

January Session, 2009

Raised Bill No. 764

LCO No. 2452

02452_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING DERIVATIVE TRANSACTION CONTROLS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-54 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) Each domestic insurance company, health care center or fraternal
4 benefit society doing business in this state shall have an annual audit
5 conducted by an independent certified public accountant and shall
6 annually file an audited financial report with the commissioner, and
7 electronically to the National Association of Insurance Commissioners
8 on or before the first day of June for the year ending the preceding
9 December thirty-first. An electronically filed true and complete report
10 timely submitted to the National Association of Insurance
11 Commissioners does not exempt a domestic insurance company or
12 health care center from timely filing a true and complete paper copy to
13 the commissioner.

14 (b) Each foreign insurance company or fraternal benefit society
15 doing business in this state shall have an annual audit conducted by an
16 independent certified public accountant and shall annually file an

17 audited financial report with the commissioner, and electronically to
 18 the National Association of Insurance Commissioners, on or before
 19 June first for the year ending the preceding December thirty-first. An
 20 electronically filed true and complete report timely submitted to the
 21 National Association of Insurance Commissioners shall be deemed to
 22 have been submitted to the commissioner in accordance with the
 23 provisions of this section.

24 (c) The commissioner shall adopt regulations, in accordance with
 25 the provisions of chapter 54, to: (1) Specify the scope of the
 26 examination required by this section; (2) specify the contents and scope
 27 of the annual audited financial report, provided such report shall
 28 include all incurred losses; (3) specify the contents and scope of a
 29 statement to be included in such report by any domestic insurance
 30 company, health care center, fraternal benefit society or foreign
 31 insurance company doing business in this state that enters into a
 32 derivative transaction; (4) provide for the review of the controls; [(4)]
 33 (5) provide for the availability to the commissioner of the workpapers
 34 of the certified public accountant; and [(5)] (6) provide exemptions
 35 from compliance with the requirements of this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	38a-54
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Statement of Purpose:

To provide authority to the Insurance Commissioner to adopt regulations to specify the contents and scope of a statement, to be included in the annual audited financial report, from insurers that enter into derivative transactions.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]